THE HONOURABLE SHRI JUSTICE R.SUBHASH REDDY

WRIT PETITION No. 20781 OF 2007

Dated 15th November, 2007

Between:

G.V.V.V.Varaparasad

…Petitioner

And

The District Cooperative Central Bank,
Eluru, West Godavari District,
represented by its General Manager
and another.

…Respondents.

ORAL ORDER:

The petitioner, who is a member of the second respondent – The Krishnaraopet Primary Agricultural Cooperative Society, registered under the provisions of the A.P. Cooperative Societies Act, 1964, seeks a declaration that the action of the respondents in threatening and demanding to repay the loan amount is illegal and arbitrary.

The petitioner availed loan amounts under various heads under General Loan No.1400 for the purpose of improvement of his land. It is the case of the petitioner that though substantial amounts have been paid, but the respondents, without giving any particulars as to the repayment and the balance loan amount payable, are high-handedly threatening and demanding to repay huge amount.

In the counter affidavit filed on behalf of the respondents, it is stated that the petitioner, altogether, under different loan numbers obtained an amount of Rs.2,36,709/-. The petitioner though paid an amount of Rs.2,84,497/-, but out of the said amount, Rs.1,99,605/- was appropriated towards interest and Rs.84,892/- towards principal leaving a balance of Rs.1,51,870/- to be repaid by the petitioner. It is stated that as much as the petitioner defaulted in repaying the loan, an application was made by the society and Recovery Certificates are issued under Section 71 of the A.P. Cooperative Societies Act, 1964 towards the principal and interest. It is stated that the petitioner had received substantial compensation under the provisions of the Land Acquisition Act for the properties acquired by the Government, but, however, he is not paying the loan amounts.

Inasmuch as Recovery Certificates are obtained by the respondents, the petitioner can challenge the validity of the said

certificates, but no directions can be given as prayed for. However, as it is submitted that the petitioner is being harassed and demands are made without any notice, the respondents are directed to take steps for recovery of the amounts covered by the Certificates strictly in accordance with the provisions of the A.P. Cooperative Societies Act, 1964 and the rules made thereunder.

Subject to above direction, the writ petition is disposed of. No costs.

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15-11-2007 **R.SUBHASH REDDY, J.**

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